

## Message Text

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PAGE 01 SANTIA 06191 112030Z

63

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 HUD-02 L-03 /021 W  
----- 065037

R 111640Z SEP 75  
FM AMEMBASSY SANTIAGO  
TO SECSTATE WASHDC 4753

UNCLAS SANTIAGO 6191

PASS TO SER/H

E.O.11652:N/A

TAGS:

SUBJ: HOUSING LOAN

1. SUBSTANTIAL PROGRESS MADE DURING LAST TWO WEEKS IN PREPARING GROUND FOR HIG. AS RESULT OF MEETINGS WHICH PRIFTIS AND MISSION OFFICERS HELD WITH OFFICIALS OF CENTRAL BANK, CORHABIT, SINAP, AND IFICOOP, IMPLEMENTATION PLANS FOR BOTH URBAN AND RURAL SECTORS ARE WELL ADVANCED AND MISSION BELIEVES AGREEMENT NOW IN SIGHT ON ALL ESSENTIAL ELEMENTS.

2. FINAL STICKING POINT WAS ROLE TO BE PLAYED BY OPEN COOPERATIVES IN URBAN SECTOR. IDEA OF LOAN SPONSORS WAS THAT OPEN COOPERATIVES WOULD PROVIDE ADVISORY SERVICES TO INDIVIDUAL HOUSING COOPS AND SERVE AS VEHICLE FOR CONTINUITY OF COOPERATIVE HOUSING KNOW-HOW. THIS CONCEPT WAS OPPOSED BY THOSE WHO BELIEVED PRESENT INSTITUTIONAL STRUCTURE ADEQUATE AND THAT INSISTENCE ON FORMATION OF ADDITIONAL OPEN COOPS TO ACCOMMODATE BENEFICIARIES OF LOAN WOULD DELAY IMPLEMENTATION. IN JOINT MEETING WITH MINISTERS OF ECONOMY AND HOUSING, MISSION REQUESTED CLARIFICATION THIS ISSUE. UPSHOT WAS ACCEPTANCE OF PRINCIPLE THAT ALL BENEFICIARIES WOULD AFFILIATE WITH OPEN COOPS EXCEPT THOSE LOCATED IN ISOLATED AREAS. NUMBER OF THOSE FOR WHICH AFFILIATION NOT PRACTICABLE PUT TENTATIVELY AT 10 PERCENT, SUBJECT TO CHANGE AS EXPERIENCE ACCUMULATES. ALL OTHERS WOULD BE EXPECTED TO AFFILIATE BY TIME CONSTRUCTION COMPLETED, IF NOT BEFORE.

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3. DECREE LAW INCORPORATING AND INSTITUTIONALIZING RESULTS OF DISCUSSIONS IS NOW IN PREPARATION.

4. PLEASE PROVIDE RESULTS OF CENTRAL BANK NEGOTIATIONS WITH INVESTORS IN NEW YORK WHEN AVAILABLE AND ADVISE SCHEDULE FOR ARRIVAL OF PERSONNEL FOR ONGOING NEGOTIATIONS.

5. MISSION ANTICIPATES NEED FOR PRIFTIS SERVICES AGAIN IN FEW WEEKS IN ORDER TO WORK OUT DETAILS FOR RURAL SELF-HELP PROGRAM.  
POPPER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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